

Congress of the United States House of Representatives

Washington, DC 20515

October 10, 2012

The Honorable Ron Kirk Ambassador United States Trade Representative 600 17th street NW Washington DC 20508

Dear Ambassador Kirk,

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

VICE-CHAIR, SUBCOMMITTEE ON AVIATION

SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION

SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT

COMMITTEE ON HOMELAND SECURITY

SUBCOMMITTEE ON COUNTERTERRORISM AND INTELLIGENCE

SUBCOMMITTEE ON TRANSPORTATION SECURITY

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

SUBCOMMITTEE ON TECHNOLOGY AND INNOVATION

I am writing to request an examination of the financial package the government of Nova Scotia recently offered to the Port Hawkesbury paper mill. Overall, I believe this aid package deserves careful scrutiny. Furthermore, I am particularly concerned about its consistency with Canada's NAFTA and WTO commitments.

According to one news article, Nova Scotia offered Pacific West Commercial a \$125 million aid package. Specifically, that package included the following: millions of dollars in forgivable loans, over a million dollars for worker training, reduced energy costs, funds to maintain the supply of wood fiber, and land purchases. The paper industry in Minnesota is concerned that the size and scope of such assistance gives an unfair advantage to Canadian paper mills.

The Port Hawkesbury mill will produce supercalendered paper—the kind used to produce magazines, catalogs and newspaper inserts. The Blandin paper mill located in Grand Rapids, Minnesota also manufactures supercalendered paper, and it does so in a manner consistent with our trade obligations.

Given a fair chance, the United States paper industry can compete with anyone in the world. That said, I am requesting that you ensure that all the rules were followed in this financial aid package. In particular, I ask that you obtain necessary information from the Canadian government regarding the financial aid package and evaluate the provisions of the deal to determine whether or not they are consistent with Canada's WTO and NAFTA requirements.

Thank you for your consideration of this urgent request. I look forward to your response.

Sincerely

Chip Cravaack

Member of Congress

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